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Letter dated 8 November 2018 from the President of the Governing Council of the United Nations Compensation Commission addressed to the President of the Security Council

I am pleased to provide my report, as the President of the Governing Council of the United Nations Compensation Commission, on the results of the eighty-fifth session of the Council, which was held in Geneva on 7 November 2018. The full text of the conclusions adopted by the Council, together with additional documentation, is attached.[1] I would, however, like to highlight a few matters discussed during the session.

During the opening plenary meeting, delegations from Iraq, including a delegation from the Committee of Financial Experts, which is responsible for the oversight of the country's oil revenues, and from the Kuwaiti Public Authority for the Assessment of Compensation, addressed the Council.

With regard to the matter of the Compensation Fund level, deposit arrangements and income, the Council expressed its appreciation to the Government of Iraq for its continued commitment to complying with relevant Security Council resolutions and Governing Council decisions, including its obligation to deposit 0.5 per cent of the proceeds generated by the export sales of Iraqi petroleum and petroleum products into the Compensation Fund in accordance with Governing Council decision 276 (2017). The Council recalled that, under decision 276, that percentage would increase to 1.5 per cent of Iraqi oil export revenues as of 1 January 2019.

The Council noted that, since the previous session in April 2018, two payments had been made in July and October 2018 to the State of Kuwait totalling $180 million, leaving approximately $4.4 billion remaining to be paid in respect of the Kuwait Petroleum Corporation claim. On the basis of current levels of income to the Fund and recent projections, the outstanding balance is anticipated to be paid in 2021.

With the Commission nearing the conclusion of its mandate, the Governing Council considered matters to be addressed to ensure the orderly wind-down of the Commission.

The Council also heard an update from the Secretariat on ongoing audit activities in relation to the Commission by both the Board of Auditors and the Office of Internal Oversight Services.

The Council adopted the report of the Committee on Administrative Matters, which met during the session, and approved the Commission's budget for 2019.

[1] Not included in the present document.

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The next regular session of the Governing Council has been tentatively scheduled for 8 October 2019.

(*Signed*) Zbigniew **Czech**
Ambassador
President of the Governing Council